

84TH CONGRESS
2D SESSION

S. 2875

IN THE SENATE OF THE UNITED STATES

JANUARY 9, 1956

Mr. JOHNSTON of South Carolina introduced the following bill; which was read twice and referred to the Committee on Post Office and Civil Service

A BILL

To revise the Civil Service Retirement Act.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the Civil Service Retirement Act of May 29, 1930, as
4 amended, is amended to read as follows:

“DEFINITIONS

6 “SEC. 1. Wherever used in this Act—

7 “(a) The term ‘employee’ shall mean a civilian officer
8 or employee in or under the Government and, except for
9 purposes of section 2, shall mean a person to whom this Act
10 applies.

11 “(b) The term ‘Member’ shall mean a United States

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1 Senator, Representative in Congress, Delegate from a Ter-
2 ritory, or the Resident Commissioner from Puerto Rico, and,
3 except for purposes of section 2, shall mean a Member to
4 whom this Act applies.

5 “(c) The term ‘congressional employee’ means an
6 employee of the Senate or House of Representatives or of
7 a committee of either House, an employee of a joint com-
8 mittee of the two Houses, an elected officer of the Senate
9 or House of Representatives who is not a Member of either
10 House, the Legislative Counsel of the Senate and the
11 Legislative Counsel of the House of Representatives and the
12 employees in their respective offices, an Official Reporter
13 of Debates of the Senate and a person employed by the
14 Official Reporters of Debates of the Senate in connection with
15 the performance of their official duties, the Architect of the
16 Capitol and the employees of the Architect of the Capitol,
17 a member of the Capitol Police force, an employee of the
18 Vice President if such employee’s compensation is disbursed
19 by the Secretary of the Senate, and an employee of a Member
20 if such employee’s compensation is disbursed by the Secretary
21 of the Senate or the Clerk of the House of Representatives.

22 “(d) The term ‘basic salary’ shall not include bonuses,
23 allowances, overtime pay, military pay, or salary, pay, or
24 compensation given in addition to the base pay of the position
25 as fixed by law or regulation: *Provided*, That for employees

1 paid on a fee basis, the maximum amount of basic salary
2 which may be used shall be \$10,000 per annum. For a
3 Member, the term 'basic salary' shall include, from April 1,
4 1954, to February 28, 1955, the amount received as expense
5 allowance under section 601 (b) of the Legislative Reorgan-
6 ization Act of 1946, as amended, and such amount from
7 January 3, 1953, to March 31, 1954, provided deposit is
8 made thereon as provided in section 4.

9 “(e) The term ‘average salary’ shall mean the largest
10 annual rate resulting from averaging, over any period of
11 five consecutive years of creditable service, an employee’s
12 rates of basic salary in effect during such period, with each
13 rate weighted by the time it was in effect: *Provided*, That
14 the period for a Member shall be his Member service from
15 and after August 3, 1946.

16 “(f) The term ‘fund’ shall mean the civil service
17 retirement and disability fund created by the Act of May 22,
18 1920.

19 “(g) The terms ‘disabled’ and ‘disability’ shall mean
20 totally disabled for useful and efficient service in the grade or
21 class of position last occupied by the employee or Member
22 by reason of disease or injury not due to vicious habits, in-
23 temperance, or willful misconduct on his part within the five
24 years next prior to becoming so disabled.

25 “(h) The term ‘widow’, for purposes of section 10, shall

1 mean the surviving wife of an employee or Member who was
2 married to such individual for at least two years immediately
3 preceding his death or is the mother of issue by such
4 marriage.

5 “(i) The term ‘widower’, for purposes of section 10,
6 shall mean the surviving husband of an employee or Member
7 who was married to such employee or Member for at least
8 two years immediately preceding her death or is the father
9 of issue by such marriage. The term ‘dependent widower’,
10 for purposes of section 10, shall mean a ‘widower’ who is
11 incapable of self-support by reason of mental or physical
12 disability, and who received more than one-half his support
13 from such employee or Member.

14 “(j) The term ‘child’, for purposes of section 10, shall
15 mean an unmarried child, including (1) an adopted child,
16 and (2) a stepchild or recognized natural child who received
17 more than one-half his support from and lived with the Mem-
18 ber or employee in a regular parent-child relationship, under
19 the age of eighteen years, or such unmarried child regardless
20 of age who because of physical or mental disability is inca-
21 pable of self-support.

22 “(k) The term ‘Government’ shall mean the executive,
23 judicial, and legislative branches of the United States Gov-
24 ernment, including Government-owned or controlled cor-

1 porations and Gallaudet College, and the municipal govern-
2 ment of the District of Columbia.

3 “(l) The term ‘lump-sum credit’ shall mean the unre-
4 funded amount consisting of (1) the retirement deductions
5 made from the basic salary of an employee or Member, (2)
6 any sums deposited by an employee or Member covering
7 prior service, and (3) interest on such deductions and de-
8 posits at 4 per centum per annum to December 31, 1947,
9 and 3 per centum per annum thereafter compounded annu-
10 ally to date of separation or transfer or December 31, 1956,
11 whichever is earlier, in case of an employee or Member who
12 is separated with title to a deferred annuity and does not
13 claim the lump-sum credit, to the commencing date fixed
14 for such deferred annuity or date of death or December 31,
15 1956, whichever is earlier. The lump-sum credit shall not
16 include interest if the service covered thereby aggregates one
17 year or less, nor shall it include interest for the fractional
18 part of a month in the total service.

19 “(m) The term ‘Commission’ shall mean the United
20 States Civil Service Commission.

21 “(n) The term ‘annuitant’ shall mean any former em-
22 ployee or Member who, on the basis of his service, has met
23 all requirements of the Act for title to annuity and has filed
24 claim therefor.

25 “(o) The term ‘survivor’ shall mean a person who is

1 entitled to annuity under this Act based on the service of a
2 deceased employee or Member or of a deceased annuitant.

3 “(p) The term ‘survivor annuitant’ shall mean a sur-
4 vivor who has filed claim for annuity.

5 “(q) The term ‘service’ shall mean employment which
6 is creditable under section 3.

7 “(r) The term ‘military service’ shall mean honorable
8 active service in the Army, Navy, Air Force, Marine Corps,
9 or Coast Guard of the United States, but shall not include
10 service in the National Guard except when ordered to active
11 duty in the service of the United States.

12 “(s) The term ‘Member service’ shall mean service as
13 a Member of Congress and shall include the period from
14 the date of the beginning of the term for which the Member
15 is elected or appointed to the date on which he takes office
16 as Member.

17 “COVERAGE

18 “SEC. 2. (a) This Act shall apply to each employee and
19 Member, except as hereinafter provided.

20 “(b) This Act shall not apply to any elective officer in
21 the executive branch of the United States Government, to
22 any judge of the United States as defined under section 451
23 of title 28 of the United States Code, or to any employee
24 of the Government subject to another retirement system for
25 Government employees.

1 “(c) This Act shall not apply to any Member or to any
2 congressional employee until he gives notice in writing,
3 within six months after the date of entrance to the service,
4 to the officer by whom his salary is paid, of his desire to
5 come within the purview of this Act.

6 “(d) This Act shall not apply to any temporary con-
7 gressional employee unless such employee is appointed at
8 an annual rate of salary and gives notice in writing, within
9 six months after the date of entrance to the service, to the
10 officers by whom his salary is paid, of his desire to come
11 within the purview of this Act.

12 “(e) The Commission may exclude from the operation
13 of this Act any employee or group of employees in the ex-
14 ecutive branch of the United States Government, or of the
15 District of Columbia government upon recommendation by
16 its Commissioners, whose tenure of office or employment is
17 temporary or intermittent, except that no employee shall be
18 excluded under this subsection after he shall have had more
19 than six months' continuous service.

20 “(f) This Act shall not apply to any temporary em-
21 ployee of the Administrative Office of the United States
22 Courts, of the courts specified in section 610 of title 28 of the
23 United States Code, of the Office of the Architect of the
24 Capitol, or of the Library of Congress.

25 “(j) Nothing in this section shall operate to deny cov-

1 erage under this Act to any person who was subject to this
2 Act on December 31, 1956.

3 "CREDITABLE SERVICE

4 "SEC. 3. (a) An employee's service for the purposes of
5 this Act including service as a substitute in the postal service
6 shall be credited from the date of original employment to the
7 date of the separation upon which title to annuity is based
8 in the civilian service of the Government. Credit shall
9 similarly be allowed for service in the Pan American Sani-
10 tary Bureau. No credit shall be allowed for any period
11 of separation from the service in excess of three calendar
12 days.

13 "(b) An employee shall be allowed credit for periods
14 of military service prior to the date of the separation upon
15 which title to annuity is based; however, if an employee is
16 awarded retired pay on account of military service, the
17 period of service upon which such retired pay is based shall
18 not be included, unless such retired pay is awarded on
19 account of a service-connected disability incurred in combat
20 with an enemy of the United States or resulting from an
21 explosion of an instrument of war or is awarded under title
22 III of Public Law 810, Eightieth Congress. A Member
23 shall be allowed credit for periods of military service, not
24 exceeding five years, plus any military service performed by
25 the Member upon leaving his office, for the purpose of per-

1 forming such service, during any war or national emergency
2 proclaimed by the President or declared by the Congress
3 and prior to his final separation from service as Member.
4 A Member may not receive credit for military service for
5 which credit is allowed for the purposes of retired pay under
6 any other provision of law. Nothing in this Act shall affect
7 the right of an employee or a Member to retired pay, pen-
8 sion, or compensation in addition to the annuity herein
9 provided.

10 “(c) Credit shall be allowed for leaves of absence
11 granted an employee while performing military service or
12 while receiving benefits under the Federal Employees’ Com-
13 pensation Act of September 7, 1916, as amended. Except
14 for a substitute in the postal service, there shall be excluded
15 from credit so much of any other leaves of absence without
16 pay as may exceed six months in the aggregate in any
17 calendar year.

18 “(d) An employee who during the period of any war,
19 or of any national emergency as proclaimed by the Presi-
20 dent or declared by the Congress, has left or leaves his posi-
21 tion to enter the military service shall not be considered, for
22 the purposes of this Act, as separated from his civilian posi-
23 tion by reason of such military service, unless he shall apply
24 for and receive a lump-sum benefit under this Act: *Pro-*

1 *vided*, That such employee shall not be considered as retain-
2 ing his civilian position beyond December 31, 1956, or the
3 expiration of five years of such military service, whichever
4 is later.

5 “(e) The total service of an employee or Member shall
6 be the full years and twelfth parts thereof, excluding from
7 the aggregate the fractional part of a month, if any.

8 “(f) An employee must have completed at least five
9 years of civilian service before he shall be eligible for annuity
10 under this Act.

11 “(g) An employee or Member must have, within the
12 two-year period preceding any separation from service, com-
13 pleted at least one year of creditable civilian service during
14 which he was subject to this Act before he or his survivors
15 shall be eligible for annuity under this Act based on such
16 separation. Failure to meet this service requirement shall
17 not deprive the individual or his survivors of any annuity
18 rights which attached upon a previous separation.

19 “(h) An employee who (1) has at least six years’
20 Member service and (2) has served as Member at any time
21 after August 2, 1946, shall not be allowed credit for any
22 service which is used in the computation of an annuity under
23 section 9 (c).

24 “(i) Subject to the conditions contained in this subsec-
25 tion, any employee who is serving in a position within the

1 purview of this Act at the time of his retirement or death,
2 shall be allowed credit for all periods of service performed by
3 him as a project employee (other than an employee ap-
4 pointed from relief rolls) of a Federal relief agency, or in the
5 employ of a State, or any instrumentality thereof, exclusively
6 in the carrying out of programs authorized by Act of Con-
7 gress and financed in whole or in part by Federal funds, but
8 only if—

9 “(1) the performance of such service is certified, in
10 a form prescribed by the Civil Service Commission, by
11 the head, or by a person designated by the head, of the
12 department, agency, or independent establishment in the
13 executive branch of the Government of the United States
14 which administers the provisions of law authorizing the
15 performance of such service, or is otherwise established
16 to the satisfaction of the Commission;

17 “(2) the employee shall have to his credit a total
18 period of not less than five years of allowable service
19 under this Act, exclusive of service allowed by this
20 subsection;

21 “(3) the employee shall have deposited with inter-
22 est at 4 per centum per annum to December 31, 1947,
23 and 3 per centum per annum thereafter, compounded on
24 December 31 of each year, to the credit of the civil-
25 service retirement and disability fund a sum equal to the

1 aggregate of the amounts which would have been de-
2 ducted from his basic salary, pay, or compensation dur-
3 ing the period of service claimed under this subsection
4 if during such period he had been subject to this Act;

5 “(4) such period of service is excluded from credit
6 for the purposes of any annuity received by such em-
7 ployee from a State.

8 As used in this subsection the term “State” includes Alaska,
9 Hawaii, and Puerto Rico.

10 “DEDUCTIONS AND DEPOSITS

11 “SEC. 4. (a) There shall be deducted from each em-
12 ployee's and Member's basic salary an amount equal to 6
13 per centum of such basic salary. The amounts so deducted
14 shall, under procedure prescribed by the Comptroller Gen-
15 eral of the United States, be deposited in the Treasury of
16 the United States to the credit of the fund. There shall
17 also be so credited all deposits made by employees or
18 Members under this section.

19 “(b) Each employee or Member shall be deemed to
20 consent and agree to such deductions from basic salary, and
21 payment less such deductions shall be a full and complete
22 discharge and acquittance of all claims and demands whatso-
23 ever for all regular services during the period covered by
24 such payment, except the right to the benefits to which he

1 shall be entitled under this Act, notwithstanding any law,
2 rule, or regulation affecting the individual's salary.

3 “(c) Each employee or Member credited with civilian
4 service after July 31, 1920, for which, for any reason what-
5 soever, no retirement deductions or deposits have been made,
6 may deposit with interest an amount equal to the following
7 percentages of his basic salary received for such service:

	Percentage of basic salary	Service Period
Employee -----	2-1/2-----	August 1, 1920, to June 30, 1926
	3-1/2-----	July 1, 1926, to June 30, 1942
	5-----	July 1, 1942, to June 30, 1948
	6-----	After June 30, 1948
Member for Mem- ber service.	2-1/2-----	August 1, 1920, to June 30, 1926
	3-1/2-----	July 1, 1926, to June 30, 1942
	5-----	July 1, 1942, to August 1, 1946
	6-----	After August 1, 1946

8 “(d) Each employee or Member who has received a
9 refund of retirement deductions under this or any other
10 retirement system established for employees of the Govern-
11 ment covering service for which he may be allowed credit
12 under this Act may deposit the amount received, with
13 interest. No credit shall be allowed for the service covered
14 by the refund until the deposit is made.

15 “(e) Interest under subsection (c) or (d) shall be
16 computed from the midpoint of each service period included
17 in the computation, or from the date refund was paid, to the
18 date of deposit or commencing date of annuity, whichever is
19 earlier. The interest shall be computed at the rate of 4 per
20 centum per annum to December 31, 1947, and 3 per centum

1 per annum thereafter, compounded annually. Such deposit
2 may be made in one or more installments.

3 “(f) Under such regulations as may be prescribed by
4 the Commission, amounts deducted under subsection (a) and
5 deposited under subsections (c) and (d) shall be entered
6 on individual retirement records.

7 “(g) No deposit shall be required for any service prior
8 to August 1, 1920, for periods of military service or for any
9 service for the Panama Railroad Company prior to January
10 1, 1924.

11 “MANDATORY SEPARATION

12 “SEC. 5. (a) Except as hereinafter provided, an em-
13 ployee shall be automatically separated from the service on
14 the last day of the month in which he attains the age of
15 seventy years, and all salary shall cease from that date.

16 “(b) Each employing office shall notify each employee
17 under its direction of the date of such separation from the
18 service at least sixty days in advance thereof: *Provided*,
19 That subsection (a) shall not take effect without the con-
20 sent of the employee until sixty days after he has been so
21 notified.

22 “(c) The President may, by Executive order, exempt
23 from automatic separation under this section any employee
24 when, in his judgment, the public interest so requires.

25 “(d) The automatic separation provisions of this section

1 shall not apply to any person named in any Act of Congress
2 providing for the continuance of such person in the service, to
3 any Member, to any congressional employee, or to any em-
4 ployee in the judicial branch within the classes made subject
5 to the Civil Service Retirement Act of May 29, 1930, as
6 amended, by the Act of July 13, 1937.

7 "IMMEDIATE RETIREMENT

8 "SEC. 6. (a) Any employee who attains the age of sixty
9 years and completes thirty years of service shall, upon sepa-
10 ration from the service, be paid an annuity computed as pro-
11 vided in section 9.

12 "(b) Any employee who completes thirty years of serv-
13 ice shall, upon separation from the service prior to attainment
14 of the age of sixty years, be paid a reduced annuity computed
15 as provided in section 9.

16 "(c) Any employee the duties of whose position are
17 primarily the investigation, apprehension, or detention of
18 persons suspected or convicted of offenses against the criminal
19 laws of the United States, including any employee engaged in
20 such activity who has been transferred to a supervisory or
21 administrative position, who attains the age of fifty years and
22 completes twenty years of service in the performance of such
23 duties may, if the head of his department or agency recom-
24 mends his retirement and the Commission approves, volun-
25 tarily retire from the service, and be paid an annuity com-

1 puted as provided in section 9. The head of the department
2 or agency and the Commission shall give full consideration
3 to the degree of hazard to which such employee is subjected
4 in the performance of his duties, rather than the general
5 duties of the class of the position held by such employee.
6 The word 'detention' as used in this subsection shall be con-
7 strued to include the duties of all officers and employees in
8 the field service of the Bureau of Prisons, Federal Prison In-
9 dustries, Incorporated, and officers and employees of the Pub-
10 lic Health Service assigned to such field service, and all other
11 officers and employees of the Bureau of Prisons and Federal
12 Prison Industries, Incorporated, whose duties in connection
13 with persons in detention suspected or convicted of offenses
14 against the criminal laws of the United States, or the District
15 of Columbia, or against the punitive articles of the Uniform
16 Code of Military Justice, involve direct contact with such
17 persons in their direction, supervision, inspection, training, or
18 employment.

19 “(d) Any employee who completes twenty-five years
20 of service or who attains the age of fifty years and completes
21 twenty years of service shall upon involuntary separation
22 from the service not by removal for cause on charges of mis-
23 conduct or delinquency, be paid a reduced annuity computed
24 as provided in section 9.

25 “(e) Any employee who attains the age of sixty-two

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1 years and completes five years of service shall, upon separa-
2 tion from the service, be paid an annuity computed as pro-
3 vided in section 9.

4 “(f) Any Member who attains the age of sixty-two
5 years and completes six years of Member service, or who
6 attains the age of sixty years and completes ten years of
7 Member service, shall, upon separation from the service, be
8 paid an annuity computed as provided in section 9. No
9 Member shall be entitled to receive an annuity under this
10 Act unless there shall have been deducted or deposited the
11 amounts specified in section 4 with respect to his last five
12 years of Member service.

13 “DISABILITY RETIREMENT

14 “SEC. 7. (a) Any employee who completes five years
15 of civilian service, and who is found by the Commission to
16 have become disabled shall, upon his own application or
17 upon application by his department or agency, be retired
18 on an annuity computed as provided in section 9. Any Mem-
19 ber who completes five years of Member service and who is
20 found by the Commission to have become disabled shall,
21 upon his own application, be retired on an annuity computed
22 as provided in section 9.

23 “(b) No claim shall be allowed under this section unless
24 the application is filed with the Commission prior to the sepa-

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1 ration of the employee or Member from the service or within
2 one year thereafter. This time limitation may be waived by
3 the Commission for an individual who at the date of sepa-
4 ration from service or within one year thereafter is mentally
5 incompetent, if the application is filed with the Commission
6 within one year from the date of restoration of such individ-
7 ual to competency or the appointment of a fiduciary, which-
8 ever is the earlier.

9 “(c) Each annuitant retired under this section or under
10 section 6 of the Act of May 29, 1930, as amended, unless
11 his disability is permanent in character, shall at the expira-
12 tion of one year from the date of such retirement and annu-
13 ally thereafter, until reaching age sixty, be examined under
14 the direction of the Commission. If the annuitant fails to
15 submit to examination as required under this section, pay-
16 ment of the annuity shall be suspended until continuance of
17 the disability is satisfactorily established.

18 “(d) If such annuitant, before reaching age sixty, re-
19 covers from his disability or is restored to an earning capac-
20 ity fairly comparable to that in the position occupied at the
21 time of retirement, payment of the annuity shall cease (1)
22 upon reemployment by the Government, (2) one year from
23 the date of the medical examination showing such recovery,
24 or (3) one year from the date of determination that he is
25 so restored, whichever is earliest. Earning capacity shall

1 be deemed restored if in each of two succeeding calendar
2 years the income of the annuitant from wages or self-em-
3 ployment or both shall equal at least 80 per centum of his
4 salary immediately prior to retirement.

5 “(e) If such annuitant whose annuity is discontinued
6 under subsection (d) is not reemployed in any position in-
7 cluded in the provisions of this Act, he shall be considered,
8 except for service credit, as having been involuntarily sepa-
9 rated from the service for the purposes of this Act as of the
10 date of discontinuance of the disability annuity and shall,
11 after such discontinuance, be entitled to annuity in accord-
12 ance with the applicable provision of this Act.

13 “(f) No person shall be entitled to receive an annuity
14 under this Act and compensation for injury or disability to
15 himself under the Federal Employees' Compensation Act of
16 September 7, 1916, as amended, covering the same period
17 of time. This provision shall not bar the right of any claim-
18 ant to the greater benefit conferred by either Act for any
19 part of the same period of time. Neither this provision nor
20 any provision in such Act of September 7, 1916, as amended,
21 shall deny to any person an annuity accruing to such person
22 under this Act on account of service rendered by him, or
23 deny any concurrent benefit to such person under such Act
24 of September 7, 1916, as amended, on account of the death
25 of any other person.

1 “(g) Notwithstanding any provision of law to the con-
2 trary, the right of any person entitled to an annuity under
3 this Act shall not be affected because such person has received
4 an award of compensation in a lump sum under section 14
5 of the Act of September 7, 1916, as amended, except that
6 where such annuity is payable on account of the same dis-
7 ability for which compensation under such section has been
8 paid, so much of such compensation as has been paid for
9 any period extended beyond the date such annuity becomes
10 effective, as determined by the Department of Labor, shall
11 be refunded to the Department of Labor, to be covered into
12 the Federal Employees' Compensation Fund. Before such
13 person shall receive such annuity he shall (1) refund to such
14 Department the amount representing such commuted pay-
15 ments for such extended period, or (2) authorize the deduc-
16 tion of such amount from the annuity payable to him under
17 this Act, which amount shall be transmitted to such Depart-
18 ment for reimbursement to such fund. Deductions from such
19 annuity may be made from accrued and accruing payments,
20 or may be prorated against and paid from accruing payments
21 in such manner as the Department of Labor shall determine,
22 whenever it finds that the financial circumstances of the
23 annuitant are such as to warrant such deferred refunding.

1 "DEFERRED RETIREMENT

2 "SEC. 8. (a) Any employee who is separated from the
3 service after completing five years of civilian service may be
4 paid an annuity beginning at the age of sixty-two years com-
5 puted as provided in section 9.

6 "(b) Any Member who is separated from the service
7 after completing six years of Member service may be paid
8 an annuity beginning at the age of sixty-two years computed
9 as provided in section 9.

10 "COMPUTATION OF ANNUITY

11 "SEC. 9. (a) Except as otherwise provided in this sec-
12 tion, the annuity of an employee retiring under this Act shall
13 be the larger of (1) 2 per centum of the average salary mul-
14 tiplied by the total service, or (2) 1 per centum of the aver-
15 age salary, plus \$25, multiplied by the total service: *Pro-*
16 *vided*, That the annuity shall not exceed 75 per centum of the
17 average salary: *Provided further*, That the annuity of an
18 employee retiring under section 7 shall be at least (1) 40
19 per centum of the average salary of (2) the sum obtained
20 under this subsection after increasing his total service by the
21 period elapsing between the date of separation and the date
22 he attains the age of seventy years, whichever is the lesser,
23 but this proviso shall not increase the annuity of any survivor.

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(b) The annuity of a congressional employee retiring under this Act shall, if he so elects at the time his annuity commences, be (1) $2\frac{1}{2}$ per centum of the average salary multiplied by his military service and service as a congressional employee, not exceeding a total of fifteen years, plus (2) 2 per centum of the average salary multiplied by the remainder of his total service: *Provided*, That the annuity shall not exceed 75 per centum of the average salary. This subsection shall not apply unless the congressional employee (1) has had at least five years' service as a congressional employee (2) has had deductions withheld from his salary or made deposit covering his last five years of civilian service, and (3) has served as a congressional employee during the last eleven months of his civilian service: *Provided further*, That the annuity of a congressional employee retiring under section 7 shall be at least (1) 40 per centum of the average salary or (2) the sum obtained under this subsection after increasing his service as a congressional employee by the period elapsing between the date of separation and the date he attains the age of seventy years, whichever is the lesser, but this provision shall not increase the annuity of any survivor.

(c) The annuity of a Member retiring under this Act shall be an amount equal to—

(1) $2\frac{1}{2}$ per centum of the average salary multi-

1 plied by the total of his Member and creditable military
2 service;

3 “(2) $2\frac{1}{2}$ per centum of the average salary multi-
4 plied by his total years of service, not exceeding fifteen,
5 performed as a congressional employee prior to his sepa-
6 ration from service as a Member, other than any such
7 service which he may elect to exclude; and

8 “(3) 2 per centum of such average salary multi-
9 plied by his total service, other than service used in
10 computing annuity under clauses (1) and (2), per-
11 formed prior to his separation from service as a Mem-
12 ber, and other than any such service which he may
13 elect to exclude.

14 In no case shall an annuity computed under this subsection
15 exceed 75 per centum of the average salary, and in no case
16 shall the annuity of a Member retiring under section 7 be
17 less than (A) 40 per centum of the average salary or
18 (B) the sum obtained under this subsection after increasing
19 his Member service by the period elapsing between the date
20 of separation and the date he attains the age of seventy
21 years, whichever is the lesser, but this provision shall not
22 increase the annuity of any survivor.

23 “(d) The annuity as hereinbefore provided, for an em-
24 ployee retiring under section 6 (b) or 6 (d), shall be
25 reduced by one-twelfth of 1 per centum for each full month

1 not in excess of thirty, one-eighth of 1 per centum for each
2 full month in excess of thirty but not in excess of sixty, and
3 one-sixth of 1 per centum for each full month in excess of
4 sixty, such employee is under the age of sixty years at date
5 of separation.

6 “(e) The annuity as hereinbefore provided shall be
7 reduced by 10 per centum of any deposit described in section
8 4 (c) remaining unpaid.

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9 “(f) Any employee or Member retiring under section
10 6, 7, or 8 may at the time of retirement elect a reduced
11 annuity, in lieu of the annuity as hereinbefore provided, and
12 designate in writing his wife or her husband to receive an
13 annuity after the retired individual's death computed as
14 provided in section 10 (a) (2). The annuity of the
15 employee or Member making such election, shall be reduced
16 by 10 per centum of so much thereof as exceeds \$4,000.

17 “(g) Any unmarried employee or Member retiring
18 under section 6 or 8, and found by the Commission to be in
19 good health, may at the time of retirement elect a reduced
20 annuity, in lieu of the annuity as hereinbefore provided, and
21 designate in writing a person having an insurable interest
22 in the employee or Member to receive an annuity after the
23 retired individual's death. The annuity payable to the
24 employee or Member making such election shall be reduced

25 by 10 per centum of an annuity computed as provided in

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1 section 9 and by 5 per centum of an annuity so computed
2 for each full five years the person designated is younger
3 than the retiring employee or Member, but such total
4 reduction shall not exceed 40 per centum.

5 “(h) The annuity as hereinbefore provided, for an
6 employee who is a citizen of the United States, shall be
7 increased by \$36 multiplied by total service in the employ
8 of either the Alaska Engineering Commission or The Alaska
9 Railroad in the Territory of Alaska between March 12, 1914,
10 and July 1, 1923, or in the employ of either the Isthmian
11 Canal Commission or the Panama Railroad Company on
12 the Isthmus of Panama between May 4, 1904, and April 1,
13 1914.

14 “SURVIVOR ANNUITIES

15 “SEC. 10. (a) (1) If a Member or employee dies after
16 having retired under any provision of this Act and is sur-
17 vived by a widow or widower, such widow or widower shall
18 be paid an annuity equal to (1) 50 per centum of so much
19 of an annuity computed as provided in subsections (a), (b),
20 (c), (d), and (e) of section 9, as may apply with respect
21 to the annuitant, as does not exceed \$4,000.

22 “(2) If a Member or employee dies after having retired
23 under any provision of this Act and is survived by a widow
24 or widower designated under section 9 (f) such widow or
25 widower shall be paid an annuity (in addition to any annuity

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1 payable under paragraph (1)) equal to 50 per centum of
2 so much of an annuity computed as provided in subsections
3 (a), (b), (c), (d), and (e) of section 9, as may apply
4 with respect to the annuitant, as exceeds \$4,000.

5 “(3) An annuity computed under this subsection shall
6 begin on the first day of the month in which the retired em-
7 ployee dies, and such annuity or any right thereto shall ter-
8 minate upon the survivor's death or remarriage.

9 “(b) The annuity of a survivor designated under sec-
10 tion 9 (g) shall be 50 per centum of the reduced annuity
11 computed as provided in subsections (a), (b), (c), (d),
12 (e), and (g) of section 9 as may apply with respect to the
13 annuitant. The annuity of such survivor shall begin on the
14 first day of the month in which the retired employee dies,
15 and such annuity or any right thereto shall terminate upon
16 the survivor's death.

17 “(c) If an employee dies after completing at least five
18 years of civilian service, or a Member dies after completing
19 at least five years of Member service, the widow or depend-
20 ent widower of such employee or Member shall be paid an
21 annuity equal to 50 per centum of an annuity computed as
22 provided in subsections (a), (b), (c), and (e) of section
23 9 as may apply with respect to the employee or Member.
24 The annuity of such widow or dependent widower shall
25 begin on the first day of the month after the employee or

1 annuitant dies, and such annuity or any right thereto shall
2 terminate upon death or remarriage of the widow or wid-
3 ower, or upon the widower's becoming capable of self-sup-
4 port.

5 “(d) If an employee dies after completing five years
6 of civilian service or a Member dies after completing five
7 years of Member service, or an employee or Member dies
8 after having retired under any provision of the Act, and is
9 survived by a widow or dependent widower, each surviving
10 child shall be paid an annuity equal to the smallest of (1)
11 25 per centum of an annuity computed as provided in sub-
12 sections (a), (b), (c), and (e) of section 9 as may apply
13 with respect to the employee or Member, (2) \$1,200
14 divided by the number of such children, or (3) \$480. If
15 such employee or Member is not survived by a widow or
16 dependent widower, each surviving child shall be paid an
17 annuity equal to the smallest of (1) 50 per centum of an
18 annuity computed as provided in subsections (a), (b), (c),
19 and (e) of section 9 as may apply with respect to the em-
20 ployee or Member, (2) \$1,600 divided by the number of
21 such children, or (3) \$640. The child's annuity shall be-
22 gin on the first day of the month after the employee or
23 Member dies, and such annuity or any right thereto shall
24 terminate upon (1) his attaining age eighteen unless in-
25 capable of self-support, (2) his becoming capable of self-

1 support after age eighteen, (3) his marriage, or (4) his
2 death. Upon the death of the widow or dependent widower
3 or termination of the annuity of the child, the annuity of
4 any other child or children shall be recomputed and paid as
5 though such widow, dependent widower, or child had not
6 survived the employee or Member.

7 "LUMP-SUM BENEFITS

8 "SEC. 11. (a) Any employee who is separated or
9 transferred to a position not within the purview of this Act
10 after he has completed five but less than twenty years of
11 service, and any Member who is separated or transferred to
12 a position not within the purview of this Act after he has
13 completed six but less than twenty years of Member service,
14 shall upon application therefor be paid the lump-sum credit.
15 Any employee who is separated or transferred to a position
16 not within the purview of this Act before he has completed
17 five years' service, and any Member who is separated or
18 transferred to a position not within the purview of this Act
19 before he has completed six years of Member service, shall
20 be paid the lump-sum credit. The receipt of payment of the
21 lump-sum credit by the individual shall void all annuity
22 rights under this Act, unless and until he shall be reemployed
23 in the service subject to this Act.

24 "(b) Each present or former employee or Member may,

1 under regulations prescribed by the Commission, designate a
2 beneficiary or beneficiaries for the purposes of this Act.

3 “(c) Lump-sum benefits authorized under subsections
4 (d), (e), and (f) of this section shall be paid in the follow-
5 ing order of precedence to such person or persons surviving
6 the employee or Member and alive at the date title to the
7 payment arises, and such payment shall be a bar to recovery
8 by any other person:

9 “First, to the beneficiary or beneficiaries designated by
10 the employee or Member in a writing received in the Com-
11 mission prior to his death;

12 “Second, if there be no such beneficiary, to the widow
13 or widower of the employee or Member;

14 “Third, if none of the above, to the child or children of
15 the employee or Member and descendants of deceased chil-
16 dren by representation;

17 “Fourth, if none of the above, to the parents of the
18 employee or Member or the survivor of them;

19 “Fifth, if none of the above, to the duly appointed
20 executor or administrator of the estate of the employee or
21 Member.

22 “Sixth, if none of the above, to other next of kin of the
23 employee or Member as may be determined by the Commis-
24 sion to be entitled under the laws of the domicile of the
25 individual at the time of his death,

1 “(d) If a present or former employee or Member not
2 retired dies (1) without a survivor, or (2) with a survivor
3 or survivors and the right of all survivors shall terminate
4 before claim for survivor annuity is filed, the lump-sum
5 credit shall be paid.

6 “(e) If all annuity rights under this Act based on the
7 service of a deceased employee or Member shall terminate be-
8 fore the total annuity paid equals the lump-sum credit, the
9 difference shall be paid.

10 “(f) If an annuitant dies, any annuity accrued and un-
11 paid shall be paid.

12 “(g) Any annuity accrued and unpaid upon the termi-
13 nation (other than by death) of the annuity of any annuitant
14 or survivor annuitant shall be paid to such person. Any
15 survivor annuity accrued and unpaid upon the death of any
16 survivor annuitant shall be paid in the following order of
17 precedence, and such payment shall be a bar to recovery by
18 any other person:

19 “First, to the duly appointed executor or administrator
20 of the estate of the survivor annuitant;

21 “Second, if there is no such executor or administrator,
22 payment may be made, after the expiration of thirty days
23 from the date of death of such survivor annuitant, to such
24 next of kin of the survivor annuitant as may be determined

1 by the Commission to be entitled under the laws of the
2 survivor annuitant's domicile at the time of his death.

3 "ADDITIONAL ANNUITIES

4 "SEC. 12. (a) Any employee or Member may, under
5 regulations prescribed by the Commission, voluntarily con-
6 tribute additional sums in multiples of \$25, but the total
7 may not exceed 10 per centum of his basic salary for his
8 creditable service from and after August 1, 1920. The
9 voluntary contribution account in each case shall be the
10 sum of such unrefunded contributions, plus interest at 3
11 per centum per annum compounded annually to date of
12 separation or transfer to a position not within the purview
13 of this Act or, in case of an individual who is separated
14 with title to a deferred annuity and does not claim the
15 voluntary contribution account, to the commencing date fixed
16 for such deferred annuity or date of death whichever is
17 earlier.

18 "(b) Such voluntary contribution account shall be used
19 to purchase at retirement an annuity in addition to the
20 annuity otherwise provided. For each \$100 in such volun-
21 tary contribution account, the additional annuity shall con-
22 sist of \$7, increased by 20 cents for each full year, if any,
23 such employee or Member is over the age of fifty-five years
24 at the date of retirement.

1 “(c) A retiring employee or Member may elect a
2 reduced additional annuity in lieu of the additional annuity
3 described in subsection (b) and designate in writing a
4 person to receive after his death an annuity of 50 per centum
5 of his reduced additional annuity. The additional annuity
6 of the employee or Member making such election shall be
7 reduced by 10 per centum, and by 5 per centum for each
8 full five years the person designated is younger than the
9 retiring employee or Member, but such total reduction shall
10 not exceed 40 per centum.

11 “(d) Any employee or Member who is separated from
12 the service before becoming eligible for immediate or de-
13 ferred annuity or who transfers to a position wherein he
14 does not continue subject to this Act shall be paid the
15 voluntary contribution account. Any employee or Member
16 who is separated from the service after becoming eligible
17 for a deferred annuity under section 8 may elect to receive,
18 in lieu of additional annuity, the voluntary contribution
19 account, provided his separation occurs and application for
20 payment is filed with the Commission at least thirty-one
21 days before the commencing date of annuity.

22 “(e) If any present or former employee or Member
23 not retired dies, the voluntary contribution account shall be
24 paid under the provisions of section 11 (c). If all addi-
25 tional annuities or any right thereto based on the voluntary

1 contribution account of a deceased employee or Member
2 terminate before the total additional annuity paid equals such
3 account, the difference shall be paid under the provisions
4 of section 11 (c).

5 "REEMPLOYMENT OF ANNUITANTS

6 "SEC. 13. (a) Notwithstanding any other provision of
7 law, an annuitant under this Act shall not, by reason of his
8 retired status, be barred from employment in any appointive
9 position for which he is qualified. An annuitant so reem-
10 ployed shall serve at the will of the appointing officer.

11 "(b) If an annuitant under this Act other than (1) a
12 disability annuitant whose annuity is terminated by reason
13 of his recovery or restoration of earning capacity, or (2) a
14 Member retired under this Act, is employed in an appointive
15 or elective position subject to this Act, annuity payments
16 shall be discontinued during such employment and deduc-
17 tions for the retirement fund shall be withheld from his
18 salary. If such annuitant performs actual full-time service
19 for a period of at least one year, his right to future annuity
20 shall be determined upon the basis of the law in effect at the
21 time of termination of such period of employment and service
22 performed during such period shall be credited for such pur-
23 pose. If such annuitant does not perform actual full-time
24 service for a period of at least one year, his annuity pay-
25 ments shall be resumed in the same amount and amounts

1 deducted from his salary during such period of employment
2 shall be returned upon the expiration of such period.

3 “(c) If a Member retired under this Act is employed
4 in an appointive or elective position, annuity payments shall
5 be discontinued during such employment and resumed in
6 the same amount upon termination of such employment:
7 *Provided*, That if such retired Member takes office as Mem-
8 ber and gives notice as provided in section 2 (c), his service
9 as Member during such period shall be credited in determin-
10 ing his right to and the amount of his subsequent annuity.

11 “PAYMENT OF BENEFITS

12 “SEC. 14. (a) Each annuity is stated as an annual
13 amount, one-twelfth of which, fixed at the nearest dollar,
14 accrues monthly and is payable on the first business day of
15 the month after it accrues.

16 “(b) Except as otherwise provided, the annuity of an
17 employee shall commence on the first of the month after
18 separation from the service, or on the first of the month after
19 salary ceases provided the employee meets the service and
20 the age or disability requirements for title to annuity at that
21 time. The annuity of a Member or of an elected officer of
22 the Senate or House of Representatives shall commence on
23 the day following the day on which salary shall cease pro-
24 vided the person entitled to such annuity meets the service
25 and the age or disability requirements for title to annuity at

1 that time. The annuity of an employee or Member under
2 section 8 shall commence on the first of the month after
3 the occurrence of the event on which payment of the annuity
4 is based.

5 “(c) An annuity shall terminate on the last day of the
6 month preceding the month in which death or any other
7 terminating event provided in this Act occurs.

8 “(d) Any person entitled to annuity from the fund may
9 decline to accept all or any part of such annuity by a waiver
10 signed and filed with the Commission. Such waiver may be
11 revoked in writing at any time, but no payment of the
12 annuity waived shall be made covering the period during
13 which such waiver was in effect.

14 “(e) Where any payment is due a minor, or a person
15 mentally incompetent or under other legal disability, such
16 payment may be made to the person who is constituted guard-
17 ian or other fiduciary by the law of the State of residence
18 of such claimant or is otherwise legally vested with the care
19 of the claimant or his estate: *Provided*, That where no guard-
20 ian or other fiduciary of the person under legal disability
21 has been appointed under the laws of the State of residence
22 of the claimant, payment may be made to any person who in
23 the judgment of the Commission is responsible for the care
24 of the claimant, and such payment shall be a bar to recovery
25 by any other person.

1 "EXEMPTION FROM LEGAL PROCESSES

2 "SEC. 15. (a) None of the moneys mentioned in this
3 Act shall be assignable, either in law or equity, or be subject
4 to execution, levy, attachment, garnishment, or other legal
5 process.

6 "(b) Notwithstanding any other provision of law, there
7 shall be no recovery of any payments under this Act from
8 any person when, in the judgment of the Commission, such
9 person is without fault and such recovery would be contrary
10 to equity and good conscience; nor shall there be any with-
11 holding of recovery of any moneys mentioned in this Act on
12 account of any certification or payment made by any former
13 employee of the United States in the discharge of his official
14 duties unless the head of the department or agency on behalf
15 of which the certification or payment was made certifies to
16 the Commission that such certification or payment involved
17 fraud on the part of such employee.

18 "ADMINISTRATION

19 "SEC. 16. (a) This Act shall be administered by the
20 Commission. Except as otherwise specifically provided
21 herein, the Commission is hereby authorized and directed to
22 perform, or cause to be performed, any and all acts and to
23 make such rules and regulations as may be necessary and
24 proper for the purpose of carrying the provisions of this
25 Act into full force and effect.

1 “(b) Applications under this Act shall be in such form
2 as the Commission shall prescribe, and shall be supported by
3 such certificates from departments or agencies as the Com-
4 mission may deem necessary to the determination of the
5 rights of applicants. The Commission shall adjudicate all
6 claims under this Act.

7 “(c) Questions of dependency and disability arising
8 under this Act shall be determined by the Commission and
9 its decisions with respect to such matters shall be final and
10 conclusive and shall not be subject to review. The Com-
11 mission may order or direct at any time such medical or
12 other examinations as it shall deem necessary to determine
13 the facts relative to the disability or dependency of any
14 person receiving or applying for annuity under this Act,
15 and may suspend or deny any such annuity for failure to
16 submit to any such examination.

17 “(d) An appeal to the Commission shall lie from any
18 administrative action or order affecting the rights or interests
19 of any person or of the United States under this Act, the
20 procedure on appeal to be prescribed by the Commission.

21 “(e) Fees for examinations made under the provisions
22 of this Act, by physicians or surgeons who are not medical
23 officers of the United States, shall be fixed by the Commis-
24 sion, and such fees, together with reasonable traveling and
25 other expenses incurred in connection with such examinations,

1 shall be paid out of the appropriations for the cost of adminis-
2 tering this Act.

3 “(f) The Commission shall publish an annual report
4 upon the operations of this Act.

5 “(g) The Commission is hereby authorized and directed
6 to select three actuaries, to be known as the Board of Actu-
7 aries of the Civil Service Retirement System. It shall be the
8 duty of such Board to report annually upon the actuarial
9 status of the system and to furnish its advice and opinion
10 on matters referred to it by the Commission, and it shall have
11 the authority to recommend to the Commission and to the
12 Congress such changes as in the Board's judgment may be
13 deemed necessary to protect the public interest and maintain
14 the system upon a sound financial basis. The Commission
15 shall keep or cause to be kept such records as it deems neces-
16 sary for making periodic actuarial valuations of the Civil
17 Service Retirement System, and the Board shall make such
18 valuations at intervals of five years, or oftener if deemed
19 necessary by the Commission. The compensation of the
20 members of the Board of Actuaries, exclusive of such
21 members as are in the employ of the United States, shall
22 be fixed by the Commission.

23 “SHORT TITLE

24 “SEC. 17. This Act may be cited as the ‘Civil Service
25 Retirement Act’.”

1 SEC. 2. (a) On and after the effective date of this Act
2 persons employed as members of the civilian faculties of the
3 United States Naval Academy and the United States Naval
4 Postgraduate School shall be included within the terms of
5 the Civil Service Retirement Act, and on and after that
6 date the Act of January 16, 1936 (49 Stat. 1092), as
7 amended, shall not apply to such persons.

8 (b) In lieu of the deposit prescribed by section 4 (c)
9 of the Civil Service Retirement Act, an employee who by
10 virtue of subsection (a) is included within the terms of
11 such Act shall deposit, for service rendered prior to the
12 effective date of this Act as a member of the civilian faculty
13 of the United States Naval Academy or of the United States
14 Naval Postgraduate School, a sum equal to so much of the
15 repurchase price of his annuity policy carried as required
16 by the Act of January 16, 1936, as amended, as is based
17 on the monthly allotments which were registered with the
18 Navy Allotment Office toward the purchase of that annuity,
19 the deposit to be made within six months after the effective
20 date of this Act. Should the deposit not be made within
21 that period no credit shall be allowed under the Civil Service
22 Retirement Act for service rendered as a member of the
23 civilian faculty of the United States Naval Academy or of
24 the United States Naval Postgraduate School subsequent to
25 July 31, 1920, and prior to the effective date of this Act.

1 SEC. 3. The amendment approved September 30; 1949
2 (Public Law 310, Eighty-first Congress) , to section 4 (b)
3 of the Civil Service Retirement Act of May 29, 1930, as
4 amended, insofar as it relates to the amount of the reduction
5 in the annuities of officers and employees who elect to re-
6 ceive reduced annuities under such section, shall take effect
7 as of April 1, 1948, but no increase in annuity shall be
8 payable by reason of such amendment, to those who retired
9 on or after April 1, 1948, and prior to October 1, 1949, for
10 any period prior to the first day of the first month which
11 begins after the effective date of this Act.

12 CONTINUATION OF PRIOR RIGHTS

13 SEC. 4. Except as otherwise provided, the amendments
14 made by this Act shall not apply in the case of employees or
15 Members retired or otherwise separated prior to its effective
16 date, and the rights of such persons and their survivors shall
17 continue in the same manner and to the same extent as if
18 this Act had not been enacted.

19 EFFECTIVE DATE

20 SEC. 5. This Act shall take effect on January 1, 1957.

21 SHORT TITLE

22 SEC. 6. This Act may be cited as the “Civil Service
23 Retirement Act Amendments of 1956.”